

## 1. Executive summary

### Basis of Presentation

In addition to owned and consolidated entities with Adelphia Communications Corporation ("Adelphia" or the "Company"), all operating statistics and financial amounts included in this document (except those shown in the Management Projections table on Page 24 which relate specifically to the DIP Facility) include systems owned or controlled by the Rigas family ("Managed Cable Entities") but exclude the results for the Company's joint ventures in Puerto Rico and Brazil. At December 31, 2003, the Managed Cable Entities served approximately 238,000 basic subscribers and Puerto Rico and Brazil served an aggregate of approximately 187,000 basic subscribers. Ownership of the Managed Cable Entities is subject to litigation and Adelphia may not be successful in this litigation, or, if successful, may obtain relief that does not include transfer of ownership of the Managed Cable Entities to Adelphia. Note: The Monthly Operating Reports do not include the Managed Cable Entities, Puerto Rico or Brazil.

### Cautionary Statement Regarding Financial and Operating Data

As a result of actions taken by management of the Company during the time it was controlled by certain members of the Rigas family: (a) the Company has not yet completed its financial statements as of and for the years ended December 31, 2003, 2002 and 2001, or received its independent public accountants' report thereon or filed with the Securities and Exchange Commission (the "Commission") its Annual Report on Form 10-K for the years ended December 31, 2003, 2002 and 2001; (b) the Company's former independent public accountants, Deloitte & Touche LLP, suspended their auditing work on the Company's financial statements as of and for the year ended December 31, 2001 and withdrew their audit report with respect to the year ended December 31, 2000; (c) the Company has not yet completed its financial statements or filed with the Commission its Quarterly Reports on Form 10-Q as of and for the quarterly periods ended September 30, 2003, June 30, 2003 and March 31, 2003; (d) the Company has not yet completed its financial statements or filed with the Commission its Quarterly Reports on Form 10-Q as of and for the quarterly periods ended September 30, 2002, June 30, 2002 and March 31, 2002; and (e) the Company expects to restate its financial statements for the years ended December 31, 2000 and 1999, and its interim financial statements for 2001 and possibly other periods. New management took control of the Company in May 2002, retained new independent auditors and began the preparation of financial statements for the periods in question. Current management believes that the public information provided by certain members of the Rigas family on other matters of interest to investors, such as the percentage of the Company's cable television systems that the Company believes have been upgraded to current standards, was unreliable. Until the completion of the restatement and the disclosure of restated financial results, previously reported financial information and other public information provided by the Rigas family should not be relied upon and information contained in the Monthly Operating Reports filed by the Company with the Bankruptcy Court (the "Monthly Operating Reports") and other information related to the Company contained herein may have to be updated or supplemented. The Company is working to complete the restatement as promptly as possible and to obtain the opinion of its independent auditors on such restated financial statements. Receipt of an audit opinion with respect to the restated financial statements is a condition to consummation of the Company's proposed PoR (as defined below). Further information regarding the Basis of Presentation is contained in the Monthly Operating Reports.

## Cautionary Statement Regarding Forward-Looking Statements

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements regarding the Company's and its subsidiaries' and affiliates' expected future financial position, results of operations, cash flows, restructuring and financing plans, expected emergence from bankruptcy, business strategy, budgets, projected costs, capital expenditures, network upgrades, products and services, competitive positions, growth opportunities, plans and objectives of management for future operations, as well as statements that include words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," "will," and other similar expressions are forward-looking statements. Such forward-looking statements are inherently uncertain, and readers must recognize that actual results may differ materially from the Company's expectations. The Company does not undertake a duty to update such forward-looking statements. Factors that may cause actual results to differ materially from those in the forward-looking statements include the Company's pending bankruptcy proceeding, results of litigation against the Company and government investigations of the Company, the effects of government regulation including the actions of local cable franchising authorities, the availability of financing, actions of the Company's competitors, customer response to repackaged services, pricing and availability of programming, equipment, supplies, and other inputs, the Company's ability to upgrade its network, technological developments, and changes in general economic conditions. Many of these factors are outside of the Company's control.

## Background

As of December 31, 2003, Adelphia was the fifth largest cable television multiple system operator ("MSO") in the U.S. serving approximately 5.3 million customers in 30 states (See Basis of Presentation above). For the year ended December 31, 2003, Adelphia generated approximately \$3,774 million of revenue and approximately \$1,004 million of EBITDAR<sup>1</sup>. The Company is currently achieving solid revenue growth and expects EBITDA margin expansion over the next several years as it benefits from initiatives commenced during the bankruptcy restructuring. Under the leadership of its experienced management team led by Bill Schleyer and Ron Cooper, the Company has undertaken the following key initiatives:

- Significant investment in network upgrades
- Rationalization of regional operating structure and management
- Repackaging and accelerated marketing of digital video and high-speed Internet ("HSI") services
- Implementation of new corporate governance and internal controls

As Adelphia increases the bandwidth capacity of its cable systems and increases its penetration of advanced video, HSI and other services, the Company expects to achieve revenue and Average Revenue Per Unit ("ARPU") growth as well as margin expansion.

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<sup>1</sup> Throughout this Confidential Information Package, references to EBITDAR for the years ended 2003, 2004 and 2005 exclude restructuring charges. EBITDAR is defined as Earnings Before Interest, Taxes, Depreciation, Amortization and Restructuring Charges.

Adelphia is headquartered in Greenwood Village, Colorado and has approximately 15,000 employees.

On February 25, 2004, Adelphia and certain of its subsidiaries filed their proposed joint Plan of Reorganization ("PoR") and related draft Disclosure Statement with the U.S. Bankruptcy Court for the Southern District of New York.

### Transaction summary

Adelphia is requesting to amend and restate, as well as reduce, its existing \$1.5 billion Secured Super Priority Debtor-In Possession Credit Facility that expires June 25, 2004 with a \$1.0 billion Secured Super Priority Debtor-In Possession Credit Facility (the "DIP Facility"). The DIP Facility will be available until March 31, 2005, to fund the general corporate needs of the Company and its subsidiaries. The DIP Facility, consisting of a Tranche A Revolver (the "Tranche A Facility"), and Tranche B Term Loan (the "Tranche B Facility"), is priced and structured as follows:

#### Facility structure

| Facility           | Facility Amount | Maturity | Undrawn Cost  | LIBOR Spread |
|--------------------|-----------------|----------|---------------|--------------|
| Tranche A Facility | \$800 million   | 3/31/05  | 50.0-75.0 bps | 250.0 bps    |
| Tranche B Facility | \$200 million   | 3/31/05  | N/A           | 250.0 bps    |

Note: Undrawn Cost based upon utilization grid

Drawn pricing under the Tranche A Facility is LIBOR + 250 bps. The commitment fee on the undrawn portion is determined by a pricing grid based on the average unused amount of the Tranche A Facility (with the issuance of letters of credit being treated as usage), payable monthly in arrears during the term of the DIP Facility. The utilization grid is set forth below:

#### Utilization grid

| Average Usage        | Commitment Fee |
|----------------------|----------------|
| > 66 2/3%            | 50.0 bps       |
| 33 1/3% to ≤ 66 2/3% | 62.5 bps       |
| < 33 1/3%            | 75.0 bps       |

Pricing under the \$200 million Tranche B Facility will be LIBOR + 250 bps. The Tranche B lenders will prefund the Tranche B Facility with JPMorgan Chase Bank at closing, and the full amount of the Tranche B Facility will be deemed outstanding until maturity, unless terminated earlier.

Proceeds of certain asset sales and certain debt incurrence and equity issuances of any Borrower Group will be used to first repay loans outstanding under the DIP Facility by such Borrower Group, second to cash collateralize letters of credit issued for the account of such Borrower Group, and finally to repay post-petition intercompany loans owed by such Borrower Group.

*Please refer to Section 4 - Summary of Terms and Conditions for a more complete description of the DIP Facility and for definitions of certain capitalized terms.*

## Sources and uses

The following table summarizes the expected sources and uses of funds as of April 30, 2004:

| Sources and uses (\$ millions)  |         |                             |         |
|---------------------------------|---------|-----------------------------|---------|
| Sources                         |         | Uses                        |         |
| Tranche A Facility <sup>1</sup> | \$343.0 | Refinance existing facility | \$540.0 |
| Tranche B Facility              | \$200.0 | Fees and expenses           | 3.0     |
| Total Sources                   | \$543.0 | Total Uses                  | \$543.0 |

<sup>1</sup> \$800 million availability

Note: Based on management projections for expected usage at April 30, 2004

## Summary term sheet

## Terms and conditions

|  |  |                 |
|--|--|-----------------|
| Borrowers / Borrower Groups            | Each of the subsidiaries of Adelphia listed on Annex A (posted to IntraLinks) and identified as a borrower is a "Borrower" under the DIP Facility and each group of entities consisting of a Borrower and the direct and indirect subsidiaries of Adelphia identified on Annex A as belonging to such Borrower's borrower group form an individual "Borrower Group" under the DIP Facility |                 |
| Guarantors                             | With respect to each Borrower, (i) each other entity in its Borrower Group, (ii) each entity in the joint and several borrower group and (iii) Adelphia and each of its direct and indirect holding company subsidiaries identified on Annex A as a "holding company guarantor"  |                 |
| Security                               | Each guarantee will be secured by substantially all of the assets of the relevant guarantor (and in the case of a holding company guarantor, by the equity of its direct subsidiaries and its cash accounts and cash investments)  |                 |
| Administrative Agent                   | JPMorgan Chase Bank  |                 |
| Collateral Agent                       | Citicorp North America, Inc.   |                 |
| Joint Bookrunner and Co-Lead Arrangers | J.P. Morgan Securities Inc. and Citigroup Global Markets Inc.  |                 |
| Loan Facilities                        | \$800 million Tranche A Facility<br>\$200 million Tranche B Facility<br>Includes a \$500 million L/C sub facility shared between the Tranche A and Tranche B Facilities  |                 |
| Extended Maturity Date                 | March 31, 2005.  |                 |
| Pricing                                | Tranche A Facility: LIBOR + 2.50%<br>Tranche B Facility: LIBOR + 2.50%<br>Tranche A Commitments:<br>Utilization < 33.3% 0.750%<br>Utilization = 33.3% but = 66.6% 0.625%<br>Utilization > 66.6% 0.500%   |                 |
| Financial Covenants                    | Minimum EBITDAR for each Borrower Group and minimum EBITDA for all Loan Parties. Maximum capital expenditures for each Borrower Group and all Loan Parties. Covenant levels are set forth on Annex B (posted to IntraLinks)  |                 |
| Borrowing Limits for Borrower Groups   | Century  | \$370 million   |
|  | Century-TCI  | 235 million     |
|  | UCA  | 80 million      |
|  | Parnassos  | 40 million      |
|  | FrontierVision   | 140 million     |
|  | Olympus  | 70 million      |
|  | 7A   | 5 million       |
|  | 7B   | 15 million      |
|  | 7C   | 45 million      |
|  | Total:   | \$1,000 million |
| Conditions to Effectiveness            | Approval of all extending lenders and of lenders holding at least 66 2/3% of loans outstanding under the existing facility<br>Payment of all fees<br>Entry of bankruptcy court order approving the new facility<br>Receipt of legal opinion  |                 |

## 2. Key investment considerations

### Recent accomplishments demonstrate commitment and focus

- New Management and Board
- Streamlining of operations and reduction in regional offices
- Implementation of new accounting policies
- Development of an incentive and accountability program
- Substantially improved operating performance:
  - Total revenues increased approximately 9.8% for the twelve months ended December 31, 2003
  - EBITDAR margins grew from approximately 22.6% in Q1 2003 to approximately 25.0% in Q4 2003
  - HSI penetration increased as a percentage of basic subscribers from approximately 14.1% in Q1 2003 to approximately 19.2% in Q4 2003
- Overall monthly ARPU increased from \$54.77 in Q1 2003 to \$61.80 in Q4 2003, reducing the gap with the Company's peers. This improvement was primarily driven by analog price increases, digital repackaging and a 33% increase in HSI subscribers
- Homes at 550 MHz and greater with two-way capability, as a percentage of homes passed, increased to approximately 89% at December 31, 2003 from approximately 80% at March 31, 2003.

### Experienced management with a proven track record

The Company's senior management team has significant cable television experience:

**William T. Schleyer**, Chairman and Chief Executive Officer of Adelphia since March 2003. Prior to joining Adelphia, Mr. Schleyer was President and Chief Executive Officer of AT&T Broadband, which provided cable video, high-speed Internet access and telephony service to more than 13 million homes across the United States. AT&T Broadband merged with Comcast in November 2002. Prior to joining AT&T Broadband, Mr. Schleyer was a principal in a venture capital company based in Boston. Mr. Schleyer also previously served as President and Chief Operating Officer of MediaOne, the broadband services arm of U S WEST Media Group. He also was President and Chief Operating Officer of Continental Cablevision, Inc. before the company's merger with U S WEST in 1996.

**Ron Cooper**, President and Chief Operating Officer of Adelphia since March 2003. Prior to joining Adelphia, Mr. Cooper was Chief Operating Officer of AT&T Broadband, where he was responsible for the operational management of all of the company's functional and geographical units and directed AT&T Broadband's video, voice and data businesses. Before joining AT&T Broadband, Mr. Cooper was founder and President of Relera, an information services company serving corporate customers. Mr. Cooper previously served as Executive Vice President of MediaOne, where he oversaw all operations, and previously held a number of senior executive positions with Continental Cablevision.

**Vanessa Wittman**, Executive Vice President and Chief Financial Officer of Adelphia since March 2003. Prior to joining Adelphia, Ms. Wittman served as Chief Financial Officer at 360networks, where she led that company's restructuring efforts to successfully emerge from bankruptcy protection. Prior to joining 360networks, Ms. Wittman served as Senior Director of Corporate Development at Microsoft, and had previously been the Chief Financial Officer of the wireless-services company, Metricom, Inc.

**Brad Sonnenberg**, Executive Vice President, General Counsel and Secretary of Adelphia since July 2003. Prior to joining Adelphia, Mr. Sonnenberg was Senior Vice President, General Counsel and Secretary at Covad Communications, where he played a lead role in that company's bankruptcy restructuring. Mr. Sonnenberg previously served as Assistant U.S. Attorney for the Department of Justice, where he prosecuted white collar crimes.

### **Rebuilt and upgraded cable systems**

As of December 31, 2003 Adelphia has increased the 550 MHz -two-way or greater capability of its network from approximately 80% of homes passed as of Q1 2003 to approximately 89% two-way capability and Adelphia anticipates that it will continue to invest in the network. By September 2004, the Company expects that approximately 96% of homes passed will be upgraded to at least 550 MHz and two-way capability. This upgrade status is more in line with peers and is intended to facilitate the rollout of advanced services.

### **Focus on corporate governance**

Adelphia has implemented the following initiatives to improve corporate governance and restore employee and stakeholder confidence.

- **Established new Board of Directors** - Adelphia has a new seven member Board, six of whom are independent, who have broad expertise in cable television, finance and corporate governance. Anthony T. Kronman, Dean of Yale Law School and a leading expert in legal ethics and governance issues, was elected as lead Director in December 2003. Philip R. Lochner, Jr., former Senior Vice President and Chief Administrative Officer of Time Warner, Inc., and former commissioner of the U.S. Securities and Exchange Commission, was elected to chair the Board's corporate governance committee. Kenneth L. Wolfe, former chairman and CEO of Hershey Foods, was elected to chair the Board's audit committee.
- **Selected PricewaterhouseCoopers ("PwC") as the new independent accountants** - Adelphia dismissed its previous accountants, Deloitte & Touche LLP, on June 9, 2002. PwC immediately began to assist the Company with the restatement of its financial statements for 1999 and 2000 and is completing the 2001, 2002 and 2003 audits.
- **Established mission and values** - Adelphia is committed to developing a reputation as a company with outstanding governance and values including:
 

|                  |                               |
|------------------|-------------------------------|
| ■ Urgency        | ■ Ethical conduct             |
| ■ Accountability | ■ Teamwork and communication  |
| ■ Integrity      | ■ Recognition and celebration |
| ■ Respect        |                               |

### **Accounting policies**

Together with PwC, Adelphia is in the process of (i) adopting new accounting policies consistent with GAAP guidelines and peer group practices, (ii) restating its financial statements for the years ended December 31, 1999 and 2000 and (iii) preparing financial statements for the years ended December 31, 2001, 2002 and 2003.

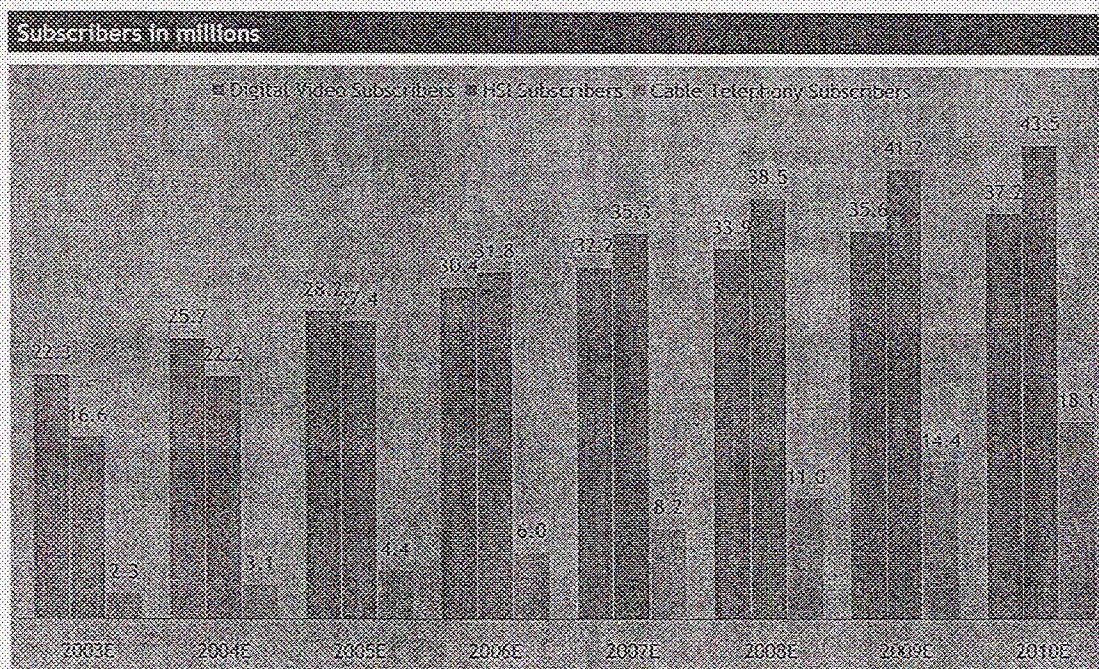


## Attractive industry trends

Advancements in digital technologies, together with the explosive growth of the Internet, have positioned the cable industry's high-speed, interactive broadband network as the primary platform for the delivery of video, voice and high-speed Internet services to homes and businesses. Going forward, MSOs are in a position to leverage these important last-mile relationships to offer a variety of advanced products and services.

The introduction of several new, high return video products, entry into the telephony business through low cost VoIP technology, and stable operating expense growth are expected to perpetuate growth in the cable industry over the next few years. With plant upgrades nearing completion in the next 6-12 months, capital spending has shifted to success-based capital associated with adding incremental services. Adelphia, in particular, expects to realize higher ARPU, margin expansion, and increased penetration of advanced services, resulting in increased free cash flow and de-leveraging.

The following chart highlights the attractive subscriber growth trends projected for the industry:



Source: Wall Street research

## DIP Facility Structure

The DIP Facility is structured as a several facility among eight Borrower Groups, with the obligations of each Borrower in a several Borrower Group being guaranteed only by the other entities in its Borrower Group, the entities in the Joint and Several Borrower Group and certain holding companies, as described below. The 9th Borrower Group is joint and several with respect to the other Borrower Groups as well as within its own Borrower Group. Certain direct/indirect holding company subsidiaries of Adelphia guarantee the obligations of all of the Borrower Groups.



### **Super Priority Claim**

The obligations of each Borrower Group under the DIP Facility constitute super priority debtor-in-possession financing secured by a first priority lien on all of such Borrower Group's unencumbered assets, a priming first priority lien on all of the assets of such Borrower Group securing its pre-petition bank debt, and a junior lien on all other assets of such Borrower Group which are subject to valid pre-existing liens.

Adequate protection has been granted to the lenders under Adelphia's pre-petition facilities through, among other things, the current payment of interest at the non-default rate plus applicable margin and letter of credit fees. In addition, pre-petition lenders receive a super priority claim junior only to the claim of the lenders under the DIP Facility and the liens securing post-petition intercompany loans. In addition, the agents under the pre-petition facilities receive current payment of reasonable fees and expenses incurred.

### **Strong Asset Coverage**

The obligations of the loan parties in each Borrower Group under the DIP Facility are secured by a perfected, first lien on substantially all of the assets of the loan parties in such Borrower Group. The DIP Facility limits borrowing to \$1 billion in the aggregate with respect to all Borrower Groups, with each Borrower Group having its own borrowing limit. Mid-point valuation per the proposed plan is approximately \$17 billion.

### 3. Company overview

Adelphia is the fifth largest operator of cable television systems in the United States. Adelphia's operations consist of providing analog and digital cable services, high-speed Internet access and other advanced services over Adelphia's broadband networks. These services are generally provided to residential customers. The Company was founded in 1952 in Coudersport, Pennsylvania and incorporated in Delaware in July 1986.

On June 25, 2002, Adelphia and all of its wholly-owned subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code. A new management team, including Chairman and CEO, Bill Schleyer, President and COO, Ron Cooper and Executive Vice President and CFO Vanessa Wittman, joined the Company in March 2003. In addition, Brad Sonnenberg, Executive Vice President, General Counsel and Secretary, joined the Company in July 2003.

Since then, Adelphia has taken a number of actions to strengthen business operations and controls, enhance financial performance and restore employee and stakeholder confidence. One of the first actions taken by management was the creation of a majority independent and highly respected Board of Directors with deep expertise in corporate governance, finance and the cable industry.

Management's operational initiatives include completing the network upgrade, increasing penetration of HSI subscribers and repackaging products to increase Digital and HSI ARPU to a level more in line with industry averages.

To date, significant operational and financial results have been achieved:

- Total revenue increased approximately 9.8% for the twelve months ended December 31, 2003
- EBITDAR margins grew from approximately 22.6% in Q1 2003 to approximately 25.0% in Q4 2003
- HSI penetration, as a percentage of basic subscribers, increased from approximately 14.1% in Q1 2003 to approximately 19.2% in Q4 2003
- Overall monthly ARPU increased from \$54.77 in Q1 2003 to \$61.80 in Q4 2003, reducing the gap with the Company's peers. This improvement was primarily driven by analog price increases, digital repackaging and a 33% increase in HSI subscribers
- Homes at 550 MHz or greater with two-way capability, as a percentage of homes passed, increased to 89% at December 31, 2003 from 80% at March 31, 2003

Operating and financing improvements are expected to be realized with increased penetration of advanced services and HSI facilitated by an upgraded network.

- By September 30, 2004, approximately 96% of the network is expected to be upgraded to 550 MHz or greater with two-way capability providing additional growth potential
- For Q4 2004, overall monthly ARPU is expected to reach approximately \$70.00 (\$8.20 increase versus Q4 2003), while EBITDAR margins are expected to reach approximately 32% (representing margin expansion of more than 7 percentage points versus Q4 2003)
- Improving operating performance coupled with decreasing capital expenditures are expected to enable Adelphia to become free cash flow<sup>2</sup> positive by mid 2005.

<sup>2</sup> EBITDAR less capital expenditures and interest expense



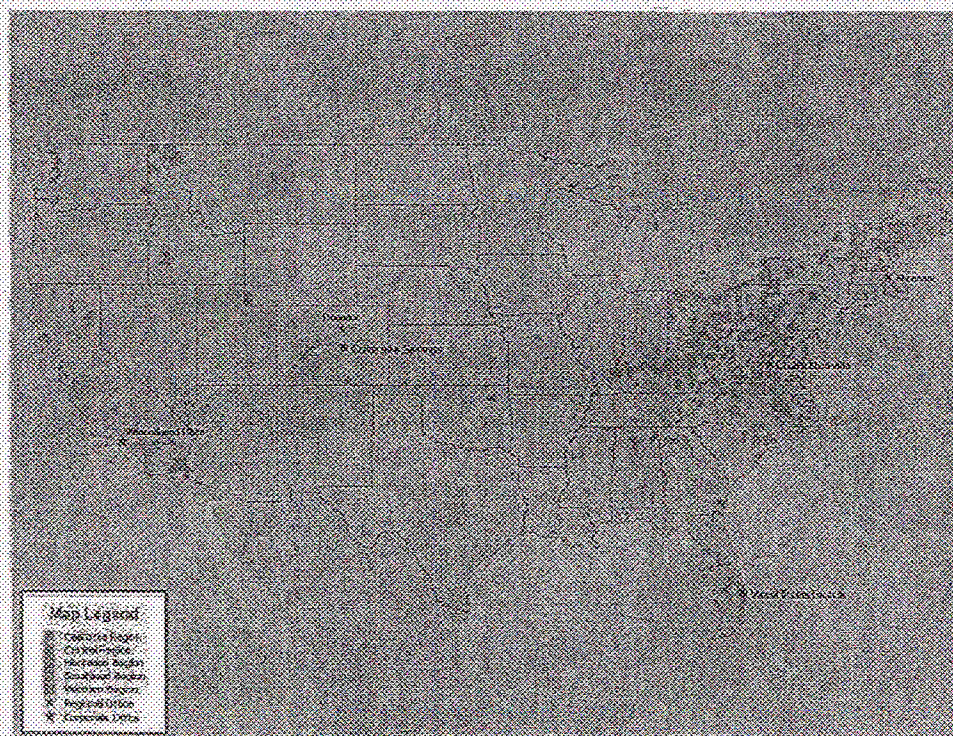
## Regional systems overview

Adelphia regional overview for the year ended December 31, 2003  
 \$ millions, except homes passed and subscribers (000s)

|                                     | California | Central | Northeast | Southeast | Western | Other  | Total   |
|-------------------------------------|------------|---------|-----------|-----------|---------|--------|---------|
| Homes passed ("HP")                 | 2,369      | 2,832   | 2,686     | 1,728     | 572     | 7      | 10,194  |
| Basic subscribers                   | 1,170      | 1,505   | 1,638     | 697       | 265     | 6      | 5,283   |
| % Penetration of HP                 | 49.4%      | 53.2%   | 61.0%     | 40.7%     | 46.4%   | 86.6%  | 51.8%   |
| Digital subscribers                 | 527        | 529     | 475       | 258       | 94      | -      | 1,883   |
| % Penetration of basic              | 45.0%      | 35.1%   | 29.0%     | 37.0%     | 35.7%   | -      | 35.6%   |
| HSi subscribers                     | 221        | 256     | 342       | 126       | 68      | -      | 1,013   |
| % Penetration of basic              | 18.9%      | 17.0%   | 20.9%     | 18.1%     | 25.7%   | -      | 19.2%   |
| Revenue                             | \$777      | \$950   | \$1,093   | \$491     | \$186   | \$277  | \$3,774 |
| ARPU                                | \$54.85    | \$52.12 | \$55.01   | \$56.24   | \$57.92 | -      | \$58.69 |
| EBITDAR                             | \$161      | \$287   | \$373     | \$145     | \$56    | (\$18) | \$1,004 |
| % margin                            | 20.7%      | 30.2%   | 34.2%     | 29.6%     | 30.1%   | -      | 26.6%   |
| Capital expenditures                | \$203      | \$188   | \$139     | \$144     | \$29    | \$35   | \$738   |
| Homes at 550 MHz two-way or greater | 89.8%      | 88.2%   | 92.2%     | 81.9%     | 98.2%   | 4.6%   | 89.1%   |

Source: Company management; December 2003 all-in Adelphia view including Managed Cable Entities but excludes results for Puerto Rico and Brazil.

Note: The Monthly Operating Reports do not include the Managed Cable Entities, Puerto Rico or Brazil.





## Business strategy

Adelphia's objective is to maintain and leverage its position as a leading provider of basic and digital video services and broadband data and telephony solutions. Key elements of its strategy include:

- **Own and operate an upgraded high-bandwidth, two-way network** - Upgrade of the Company's network is proceeding rapidly, allowing Adelphia to introduce advanced products including high definition television ("HDTV"), digital video recorders ("DVR") and video-on-demand ("VOD"), and to extend the reach of its high-speed Internet service. Homes at 550 MHz or greater with two-way capability were 89% at December 31, 2003 and are expected to be approximately 96% by September 30, 2004.

The following chart outlines improvements to the network upgrade for the first and fourth quarters of 2003 and estimated improvements to the network upgrade for the third quarter of 2004:

| Adelphia plant status |              |                   |            |                   |            |                      |
|-----------------------|--------------|-------------------|------------|-------------------|------------|----------------------|
|                       | Homes Passed |                   |            |                   |            |                      |
|                       | Q1 2003A     |                   | Q4 2003A   |                   | Q3 2004E   |                      |
|                       | Actual       | Actual % of Total | Actual     | Actual % of Total | Projected  | Projected % of Total |
| Plant MHz             |              |                   |            |                   |            |                      |
| <= 450                | 1,291,000    | 13%               | 760,000    | 8%                | 196,000    | 2%                   |
| 550 1-way             | 714,000      | 7%                | 356,000    | 3%                | 236,000    | 2%                   |
| 550 2-way             | 847,000      | 8%                | 952,000    | 9%                | 1,237,000  | 12%                  |
| 750 2-way             | 4,475,000    | 45%               | 4,533,000  | 45%               | 4,572,000  | 45%                  |
| 860 2-way             | 2,747,000    | 27%               | 3,593,000  | 35%               | 4,000,000  | 39%                  |
| Subtotal 2-way        | 8,069,000    | 80%               | 9,078,000  | 89%               | 9,809,000  | 96%                  |
| Total                 | 10,074,000   | 100%              | 10,194,000 | 100%              | 10,241,000 | 100%                 |

Source: Company management; December 2003 all-in Adelphia view including Managed Cable Entities but excludes results for Puerto Rico and Brazil.

Note: The Monthly Operating Reports do not include the Managed Cable Entities, Puerto Rico or Brazil.

- **Leverage network capacity by offering advanced products** - With an upgraded network, Adelphia anticipates that, over time, it will reach digital and data penetration levels that are more in line with peer averages. In addition, the Company is currently rolling out more advanced video products including HDTV, DVR and VOD. Adelphia is beginning preparations for telephony service using Voice-over Internet Protocol ("VoIP") technology. The Company intends to provide VoIP to residential customers beginning in 2005.
- **Improve customer retention and competitive position** - Offering advanced products is expected to help Adelphia to better attract and retain customers and compete against video products offered by direct broadcast satellite ("DBS") providers and high speed Internet products offered by digital subscriber line ("DSL") providers.
- **Focus on product profitability** - In the fall of 2003, Adelphia introduced new digital and high-speed Internet packages in most markets. These new packages are designed to increase revenue, improve product profitability and offer customers compelling value propositions. In addition, the Company expects to enhance the speed and reliability of its high-speed Internet service and, in the second quarter of 2004, expects to begin offering a low tier HSI product that will effectively compete with DSL offerings.



- Deliver a quality customer experience — As of December 2003, Adelphia had approximately 3,400 employees in its customer service call centers, representing about 23% of total employees. In April 2004, the Company opened an inbound call center in Orlando, Florida staffed with customer representatives focused on sales, upselling opportunities and on assisting customers with self-installation of HSI.

## Historical financial and operational summary

| \$ in millions except ARPU          |         |         |         |         |                |
|-------------------------------------|---------|---------|---------|---------|----------------|
|                                     | Q1 03   | Q2 03   | Q3 03   | Q4 03   | Full year 2003 |
| <u>Operating statistics (000's)</u> |         |         |         |         |                |
| Homes passed                        | 10,074  | 10,108  | 10,140  | 10,194  | 10,194         |
| Basic                               | 5,404   | 5,362   | 5,324   | 5,283   | 5,283          |
| % growth                            |         |         |         |         | (2.6%)         |
| Digital                             | 1,839   | 1,858   | 1,907   | 1,883   | 1,883          |
| % penetration to basic              | 34.0%   | 34.6%   | 35.8%   | 35.6%   | 35.6%          |
| HSI                                 | 762     | 836     | 936     | 1,013   | 1,013          |
| % penetration to basic              | 14.1%   | 15.6%   | 17.6%   | 19.2%   | 19.2%          |
| ARPU                                | \$54.77 | \$59.07 | \$59.16 | \$61.80 | \$58.69        |
| <u>Financial Performance</u>        |         |         |         |         |                |
| Total revenue                       | \$888   | \$955   | \$947   | \$984   | \$3,774        |
| % growth                            |         |         |         |         | 9.5%           |
| <u>Cost and expenses</u>            |         |         |         |         |                |
| Programming and direct              | \$292   | \$286   | \$285   | \$287   | \$1,150        |
| Employee                            | 197     | 193     | 193     | 207     | 789            |
| Other                               | 160     | 192     | 197     | 244     | 793            |
| Total expenses                      | \$649   | \$671   | \$675   | \$738   | \$2,733        |
| Operating cash flow                 | \$239   | \$284   | \$272   | \$246   | \$1,041        |
| % margin                            | 26.9%   | 29.7%   | 28.7%   | 24.9%   | 27.6%          |
| EBITDAR                             | \$201   | \$287   | \$270   | \$246   | \$1,004        |
| % margin                            | 22.6%   | 30.1%   | 28.5%   | 25.0%   | 26.6%          |
| Capital expenditures                | \$167   | \$129   | \$224   | \$217   | \$737          |

Source: Company management; December 2003 all-in Adelphia view including Managed Cable Entities but excludes results for Puerto Rico and Brazil.

Note: The Monthly Operating Reports do not include the Managed Cable Entities, Puerto Rico or Brazil.



## Management projections for DIP Facility (MOR Basis)

| Projected financial performance (\$ in millions) |         |         |         |
|--|---------|---------|---------|
|  | Q3 04   | Q4 04   | Q1 05   |
| Revenue  | \$1,020 | \$1,052 | \$1,063 |
| DOP  | 704     | 720     | 724     |
| Operating Cash Flow                              | \$316   | \$332   | \$339   |
| Minority interest in losses of subsidiaries, net | (2)     | (3)     | (3)     |
| Other  | 1       | 1       | 1       |
| EBITDAR  | \$315   | \$330   | \$337   |
| % margin   | 31%     | 31%     | 32%     |
| Reorganization expenses due to bankruptcy        | 65      | 36      | 60      |
| EBITDA   | \$250   | \$293   | \$277   |
| % margin   | 24%     | 28%     | 26%     |
| Depreciation and Amortization                    | 243     | 249     | 255     |
| EBIT   | \$7     | \$44    | \$22    |
| Interest expense, net                            | 102     | 105     | 108     |
| Capital expenditures                             | 213     | 215     | 221     |
| Net income (loss)                                | (95)    | (\$61)  | (\$86)  |
| DIP Debt and Capital Leases                      | \$739   | \$761   | \$790   |
| Pre-petition debt                                | 6,817   | 6,817   | 6,817   |
| Total debt                                       | \$7,556 | \$7,578 | \$7,607 |
| Unrestricted cash                                | 209     | 235     | 220     |
| Net debt   | \$7,347 | \$7,342 | \$7,386 |
| EBITDAR / Interest Expense                       | 3.1x    | 3.1x    | 3.1x    |
| EBITDAR - Capex / Interest Expense               | 1.0x    | 1.1x    | 1.1x    |
| Net Debt to EBITDAR                              | 5.8x    | 5.6x    | 5.5x    |
| Total Debt to EBITDAR                            | 6.0x    | 5.7x    | 5.6x    |

Source: Company management; MOR Basis only, excludes results from Managed Cable Entities, Puerto Rico and Brazil, consistent with DIP budget.

Note: The Monthly Operating Reports do not include the Managed Cable Entities, Puerto Rico or Brazil.

For the full set of monthly projections and the Company's Long Range Plan ("LRP"), please see separate posting on IntraLinks.

## **Risk Factors**

See the draft disclosure statement filed with the Bankruptcy Court on February 25, 2004 for information on risk factors associated with the Company. These documents are available at [www.adelphia.com](http://www.adelphia.com).

#### 4. Summary Terms and Conditions

See Term Sheet posted on IntraLinks website



## 5. Appendix

Exhibit 1

| Adelphia DIP borrowing limits by silo (\$ in millions) |                                  |               |                                  |               |
|--|----------------------------------|---------------|----------------------------------|---------------|
| Borrower   | June 2002 Facility               |               | 2004 DIP Facility                |               |
|  | \$1.5 Bn Silo<br>Borrowing Limit | Composition % | \$1.0 Bn Silo<br>Borrowing Limit | Composition % |
| Century Borrower Group                                 | \$350                            | 23.3%         | \$370                            | 37.0%         |
| Century-TCI Borrower Group                             | 265                              | 17.7%         | 235                              | 23.5%         |
| UCA Borrower Group                                     | 250                              | 16.7%         | 80                               | 8.0%          |
| Parnassos Borrower Group                               | 100                              | 6.7%          | 40                               | 4.0%          |
| FrontierVision Borrower Group                          | 200                              | 13.3%         | 140                              | 14.0%         |
| Olympus Borrower Group                                 | 250                              | 16.7%         | 70                               | 7.0%          |
| 7A Borrower Group                                      | 5                                | 0.3%          | 5                                | 0.5%          |
| 7B Borrower Group                                      | 15                               | 1.0%          | 15                               | 1.5%          |
| 7C Borrower Group                                      | 65                               | 4.3%          | 45                               | 4.5%          |
| Total  | \$1,500                          | 100.0%        | \$1,000                          | 100.0%        |

Exhibit 2

| Adelphia DIP letter of credit sub-limits by silo (\$ in millions) |                               |               |                               |               |
|---|-------------------------------|---------------|-------------------------------|---------------|
| Borrower  | June 2002 Facility            |               | 2004 DIP Facility             |               |
|   | \$850mm Silo L/C<br>Sub-Limit | Composition % | \$600mm Silo L/C<br>Sub-Limit | Composition % |
| Century Borrower Group  | \$150                         | 17.6%         | \$90                          | 18.0%         |
| Century-TCI Borrower Group  | 150                           | 17.6%         | 90                            | 18.0%         |
| UCA Borrower Group  | 150                           | 17.6%         | 80                            | 16.0%         |
| Parnassos Borrower Group  | 50                            | 5.9%          | 40                            | 8.0%          |
| FrontierVision Borrower Group                                     | 150                           | 17.6%         | 80                            | 16.0%         |
| Olympus Borrower Group  | 150                           | 17.6%         | 70                            | 14.0%         |
| 7A Borrower Group   | 5                             | 0.6%          | 5                             | 1.0%          |
| 7B Borrower Group   | 10                            | 1.2%          | 10                            | 2.0%          |
| 7C Borrower Group   | 35                            | 4.1%          | 35                            | 7.0%          |
| Total   | \$850                         | 100.0%        | \$500                         | 100.0%        |